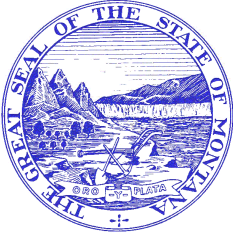


DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Trust Land Management Division



BRIAN SCHWEITZER, GOVERNOR

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June 15, 2007

Prospective Bidders:

Regarding the sale of State Trust Land, Sale # 376, located in T8N, R10W, S10, the following deed restrictions apply:

SUBJECT HOWEVER, to all existing easements and encumbrances of record, any and all valid reservations, exceptions, restrictions, limitations, conditions or provisions, if any, as may be contained in prior Patents or Deeds of record, or grants, or laws of the United States of America; and

SUBJECT FURTHER to the condition that the interest conveyed herein is freely assignable, in whole or in part, only upon the grantor's payment to the State of Montana, State Board of Land Commissioners of one-half of 1% of the appraised market value of the then-existing interest (including land and improvements) sought to be assigned to another grantee; and

SUBJECT FURTHER to the condition that any use of the above-described lands shall be subject to local and state laws and regulations; the conditions and restrictions of the Powell County Comprehensive Plan and Growth Policy Planning District No. 4; and that the development of the above-described lands is restricted to a maximum of 25 lots per 640 acres.

EXCEPTING AND RESERVING to the State of Montana all title in and to all coal, oil, oil shale, gas, phosphate, sodium and other mineral deposits in the above described land which have not already been reserved by the United States, except sand, gravel, building stone and brick clay, whether now known or hereafter found to exist therein, together with the right for the State and its lessees to enter upon the said lands, to prospect for, develop, mine and remove such mineral deposits so reserved and to occupy and use so much of the surface of the said lands as may be required for all purposes reasonably extending to the exploring for, mining and removal of such mineral deposits therefrom, but the State's lessee shall make just payment to the purchaser for all damage done to the premises by reason of such entry upon the land and the use and occupancy of the surface thereof.

These are in addition to any encumbrances shown on the Land Status Report, included in the Bid Package.